

Message Text

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ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 AGR-01
AF-10 ARA-10 EA-10 EUR-12 NEA-10 OIC-02 NSCE-00
ICAE-00 SSO-00 INRE-00 JUSE-00 DOEE-00 /153 W
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TO SECSTATE WASHDC IMMEDIATE 1622

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USMTN

ACTION STR

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EO 11652: N/A

TAGS: MTN, ETRD

SUBJECT: MTN: DEVELOPING COUNTRY STATEMENT AT JULY 3 TNC

REF: GENEVA 09963

1. THERE FOLLOWS TEXT OF STATEMENT READ AT JULY 3 MEETING
OF TRADE NEGOTIATIONS COMMITTEE (TNC) BY LDC SPOKESMAN,
DR. TOMIC OF YUGOSLAVIA. MEETING REPORTED SEPTEL.

2.BEGIN QUOTE

ON BEHALF OF THE DEVELOPING COUNTRIES, I WOULD LIKE TO
EXPRESS OUR SATISFACTION THAT THE MEETING OF THE TNC IS
TAKING PLACE AT A VERY IMPORTANT MOMENT - THAT IS, THE
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FINAL STAGE OF THE MULTILATERAL TRADE NEGOTIATIONS.

IT IS IMPORTANT THAT THE SUPREME BODY FOR THESE NEGOTIA-
TIONS CONSIDER THE POSITIONS OF DELEGATIONS AND HOW THEY
MAY BE FINALIZED SUCCESSFULLY IN THE MUTUAL INTEREST OF
ALL PARTICIPANTS, ON THE BASIS OF THE OBJECTIVES SET OUT
IN THE TOKYO DECLARATION.

WE ARE ALL AWARE OF THE FACT THAT THE TRADE RELATIONS WE ARE ENDEAVOURING TO IMPROVE SUBSTANTIALLY IN THIS ROUND ARE NOT A MATTER OF POWER AND GOOD WILL AND THAT ACCESS TO MARKETS FOR IMPORTS IS NOT A PRIVILEGE. ON THE CONTRARY, THE INTERDEPENDENCE OF THE COUNTRIES OF THIS GLOBE CALLS FOR MUTUAL UNDERSTANDING FROM ALL OF US AND ALSO FOR AN EFFORT TO FIND SOLUTIONS THAT ARE SATISFACTORY IN TERMS OF OUR COMMON INTEREST AND THAT ARE INVESTED WITH THE CHARACTERISTICS OF UNIVERSALITY OF PARTICIPATION AND A FAIR SHARE IN CONTRIBUTIONS.

3. HAVING THIS IN MIND, THE DEVELOPING COUNTRIES UNDERSTAND THAT THESE NEGOTIATIONS ARE NOT A MATTER OF A FEW COUNTRIES PRESENTING A PACKAGE ON WHICH AN OPINION IS TO BE EXPRESSED, BUT RATHER A MATTER OF FULL PARTICIPATION BY ALL ON AN EQUAL FOOTING ON ALL THE SUBJECTS OF NEGOTIATION THAT ARE OF COMMON INTEREST. AT THIS STAGE WE ARE REQUESTING THAT A RULE BE ESTABLISHED FOR THE DECISION-MAKING PROCESS IN THE MTN ACCORDING TO WHICH NO ADOPTION OF A NEGOTIATING DOCUMENT WOULD BE ACCEPTED UNLESS THE LARGE MAJORITY OF PARTICIPANTS DECLARED THEMSELVES IN FAVOUR OF IT. WE CANNOT PROCEED ON THE BASIS THAT A GROUP OF A FEW COUNTRIES MAY CONSIDER IT APPROPRIATE FOR OTHERS TO BE KEPT OUT OF ARRANGEMENTS IF THEY ARE NOT IN A POSITION TO ACCEPT THEIR CONCEPTUAL APPROACH. FURTHERMORE, LIMITED OFFICIAL USE

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WHENEVER AMENDMENTS ARE MADE IN THE GENERAL AGREEMENT, THE C.P. HAVE TO APPROVE THEM ACCORDING TO THE EXISTING RULES.

WE ALL WAITED A LONG TIME BEFORE CERTAIN IMPORTANT COUNTRIES WERE EMPOWERED TO NEGOTIATE. IT WOULD NOT BE APPROPRIATE AT THIS STAGE TO FORCE THE TIME TABLE ON SOME IMPORTANT ISSUES WHOSE IMPLICATIONS WOULD EXTEND OVER MANY YEARS. WE STICK TO THE PRINCIPLE THAT QUALITY IS MORE IMPORTANT THAN THE TIME ELEMENT, BUT WE CERTAINLY FAVOUR SPEEDY SOLUTIONS FOR ALL ISSUES OF A VERY FUNDAMENTAL NATURE. THEREFORE, WE NEED TO AGREE ON A TIME TABLE FOR NEGOTIATIONS WHICH SHOULD INVOLVE ALL PARTICIPANTS ON THE BASIS OF REALISTIC POSSIBILITIES AND WHICH WOULD NOT POSTPONE THE FINAL RESULTS OF NEGOTIATIONS BEYOND THE TIME TABLE WE ALL HAVE IN MIND AT PRESENT.

4. THE INTEREST OF DEVELOPING COUNTRIES IN NEGOTIATIONS IS NOT LIMITED TO SECURING SPECIAL AND DIFFERENTIAL TREATMENT. THEY ARE INTERESTED IN TAKING PART IN THE TOTALITY OF NEGOTIATING ISSUES; SPECIAL AND DIFFERENTIAL TREATMENT, WHERE POSSIBLE AND APPROPRIATE, IS ONLY A PART OF THIS. IT WOULD THEREFORE BE A MISTAKE TO ASK FOR THEIR PARTICI-

PATION ONLY WHEN SPECIAL AND DIFFERENTIAL TREATMENT IS
CONSIDERED, OR TO LIMIT THEIR SHARE ONLY TO THIS SUBJECT.
AS MATTERS LOOK AT PRESENT, THE DEVELOPING COUNTRIES ARE
JUSTIFIED IN FEELING APPREHENSION THAT THEY MIGHT COME
OUT OF THESE NEGOTIATIONS WITH A NEGATIVE BALANCE SHEET.
IN FURTHER NEGOTIATIONS, THIS POINT HAS TO BE TAKEN INTO
ACCOUNT VERY CAREFULLY AND EXAMINED ON AN ONGOING BASIS
BECAUSE THE FINALIZATION OF NEGOTIATIONS COULD BE ACCEPTED
AS SUCCESSFUL BY THE DEVELOPING COUNTRIES ONLY IF MAJOR
POINTS OF FUNDAMENTAL INTEREST TO THEM RECEIVE SATISFACTORY
SOLUTION IN ACCORDANCE WITH THE OBJECTIVE STATED IN THE
TOKYO DECLARATION.

5. TO BE MORE CONCRETE, AS MATTERS STAND AT THE PRESENT
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TIME AND AT THIS STAGE OF NEGOTIATIONS, WE WOULD LIKE TO ATTRACT ATTENTION TO A FEW ILLUSTRATIVE CASES.

IN TARIFF NEGOTIATIONS, THE DEVELOPING COUNTRIES HAVE SUBMITTED REQUESTS, AND ON OCCASION ADDITIONAL REQUESTS, AS WELL AS REQUESTS FOR OFFERS IN CASES WHERE OFFERS WERE LACKING, REQUESTS FOR DEEPER CUTS THAN THOSE PROVIDED BY FORMULA; THEY HAVE SUBMITTED REQUESTS FOR THE AVOIDANCE OF EROSION OF PREFERENCES AND REQUESTS FOR ADVANCE IMPLEMENTATION OF CONCESSIONS; THEY HAVE ALSO SUBMITTED INFORMATION ABOUT THEIR POSITION AS SUPPLIERS AND INDICATIVE LISTS OF THE PRODUCTS OF THEIR INTEREST. BUT NO RESPONSE HAS BEEN FORTHCOMING. IT WOULD BE NORMAL TO EXPECT POSITIVE REACTIONS TO THESE REQUESTS WHICH INCLUDE DEEPER-THAN-FORMULA CUTS, EXCLUSION OF PRODUCTS OF EXPORT INTEREST TO DEVELOP-LIMITED OFFICIAL USE

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ING COUNTRIES FROM THE EXEMPTION LIST, AVOIDANCE OF LIMITING OFFERS ONLY ON THE BASIS OF THE REQUESTS OF PRINCIPAL SUPPLIERS WHERE DEVELOPING COUNTRIES' PRODUCTS ARE INVOLVED. WE DO NOT THINK IT APPROPRIATE TO WITHDRAW OFFERS WHERE PRODUCTS OF INTEREST TO DEVELOPING COUNTRIES ARE CONCERNED. FOR TROPICAL PRODUCTS, IT WOULD BE NORMAL TO EXPECT MANY IMPROVEMENTS IN THE REALIZATION OF LONG-STANDING OBJECTIVES SUCH AS DUTY-FREE AND BARRIER-FREE ACCESS. WE ALSO EXPECT ADDITIONAL OFFERS TO PROMOTE THE EXPORTS OF THE LEAST-DEVELOPED COUNTRIES AND, FINALLY, COMPENSATION FOR THE EROSION OF PREFERENCES. IS IT POSSIBLE TO TERMINATE NEGOTIATIONS WITHOUT DEALING WITH SUCH QUESTIONS OF A FUNDAMENTAL NATURE FOR THE DEVELOPING COUNTRIES.

6. AS REGARDS NON-TARIFF MEASURES, VARIOUS ISSUES OF VITAL INTEREST TO DEVELOPING COUNTRIES ARE STILL HANGING IN THE AIR, AS FOR INSTANCE:

- A. THE SELECTIVE APPROACH IN SAFEGUARD PROPOSALS WILL HAVE SERIOUS IMPLICATIONS FOR THE FUTURE TRADE INTERESTS OF ALL DEVELOPING COUNTRIES
- B. SUBSIDIES AND COUNTERVAILING DUTIES ARE NOT IN A STAGE WHERE IT COULD BE ASSURED THAT THE RIGHTS OF DEVELOPING COUNTRIES WOULD BE PROTECTED ADEQUATELY
- C. IN GOVERNMENT PROCUREMENTS THERE IS A TENDENCY TO EXCLUDE THE DEVELOPING COUNTRIES FROM THE NEGOTIATING SYSTEM
- D. STANDARDS ARE FAR FROM SECURING ANY ASSISTANCE FOR DEVELOPING COUNTRIES
- E. THE GRADUATION CONCEPT FOR DEVELOPING COUNTRIES

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INTRODUCES A NEW ELEMENT OF DISCRETIONAL AND DISCRIMINATORY ACTIONS AGAINST DEVELOPING COUNTRIES' INTERESTS

F. RESIDUAL RESTRICTIONS, PARTICULARLY QUANTITATIVE RESTRICTIONS AFFECTING THE EXPORTS OF DEVELOPING COUNTRIES HAVE BEEN LEFT ASIDE IN THE NEGOTIATING PROCESS

G. AGRICULTURAL PRODUCTS - PRACTICALLY SPEAKING, NO PROVISION HAS BEEN MADE FOR SOLUTIONS REGARDING PRODUCTS OF SUBSTANTIAL INTEREST TO DEVELOPING COUNTRIES' EXPORTS.

THESE FEW ILLUSTRATIVE EXAMPLES, AS WE SEE THEM, SHOW THAT WE STILL HAVE TO DEVELOP VERY INTENSIVE, SERIOUS AND MEANINGFUL NEGOTIATING ACTIVITIES IN THE COMING MONTHS. BEFORE THAT, WE ALL NEED TO DO SOME RETHINKING AND TO MAKE AN IMPORTANT EFFORT, BASED ON SUBSTANTIAL, ADDITIONAL POLITICAL WILL TO SEEK MUTUALLY SATISFACTORY SOLUTIONS FOR TRADE RELATIONSHIPS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES AND TO ELIMINATE ATTEMPTS TO INTRODUCE EXTRANEIOUS ELEMENTS.

7. THE DEVELOPING COUNTRIES CONSIDER THAT THE OBJECTIVES OF THE TOKYO DECLARATION REPRESENT A SERIES OF COMMITMENTS ACCEPTED BY ALL PARTICIPANTS. FOR DEVELOPING COUNTRIES, THEY CAN BE SUMMARIZED AS: (I) IMPROVED ACCESS FOR THEIR PRODUCT, WHICH SHOULD ENABLE THEM TO ACHIEVE A SUBSTANTIAL INCREASE IN THEIR FOREIGN EXCHANGE EARNINGS, DIVERSIFICATION OF THEIR EXPORTS, ACCELERATION OF THE RATE OF GROWTH OF THEIR TRADE THROUGH SPECIAL MEASURES IN THEIR FAVOUR TO BE TAKEN IN THE NEGOTIATIONS, (II) NO RECIPROCITY FOR COMMITMENTS MADE BY DEVELOPED COUNTRIES, BUT POSSIBLE CONTRIBUTIONS WHICH ARE NOT INCONSISTENT WITH THEIR INDIVIDUAL DEVELOPMENT, THEIR FINANCIAL AND TRADE NEEDS, (III) LIMITED OFFICIAL USE

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DIFFERENTIAL MEASURES FOR DEVELOPING COUNTRIES WHICH WILL PROVIDE SPECIAL AND MORE FAVOURABLE TREATMENT FOR THEM IN ALL AREAS OF NEGOTIATIONS WHERE THIS IS FEASIBLE AND APPROPRIATE, (IV) SPECIAL TREATMENT IN FAVOUR OF THE LEAST DEVELOPED COUNTRIES AND (V) IMPROVEMENT OF THE INTERNATIONAL FRAMEWORK FOR THE CONDUCT OF WORLD TRADE, MAKING

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IT MORE SUITABLE TO THE SPECIAL NEEDS AND ASPIRATIONS OF
THE DEVELOPING COUNTRIES.

8. IT IS UNDERSTANDABLE FOR THERE TO BE, IN THE PROCESS
OF NEGOTIATION, MANY STAGES AND MANY BILATERAL AND MULTI-
LATERAL CONSULTATIONS, AS A TECHNIQUE FOR REACHING UNI-
VERSALLY ACCEPTABLE SOLUTIONS. WE THINK THAT WE ARE
NOW VERY NEAR THE STAGE WHERE ALL PARTICIPANTS IN THE
NEGOTIATIONS HAVE TO TAKE PART IN THE FINAL PHASE OF
EFFECTIVE NEGOTIATION WHICH WOULD LEAD US TO THE FINALI-
ZATION OF MTN RESULTS IN FULFILLMENT OF THE TOKYO DECLAR-
ATION COMMITMENTS AND WHICH HAVE TO BE ASSESSED AND ADOPTED
ONE DAY BY THIS COMMITTEE.

WE HOPE THAT THIS DATE MIGHT COME VERY SOON, AND IT WILL
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IF THERE IS SUFFICIENT UNDERSTANDING AND POLITICAL GOOD
WILL ON THE PART OF ALL PARTICIPANTS IN THESE NEGOTIATIONS.
AFTER ALL, IT IS TO THE COMMON ADVANTAGE TO FACILITATE
AND PROMOTE RECIPROCAL TRADE AND TO ESTABLISH APPROPRIATE
ADDITIONAL RULES WHICH SET UP STABLE AND EQUITABLE
CONDITIONS ON A LONG-TERM BASIS FOR THE CONDUCT OF WORLD
TRADE, SUCH CONDITIONS BEING OF THE UTMOST IMPORTANCE AND
NECESSITY IN THE PRESENT STAGE IN WHICH THE WORLD ECONOMY
FINDS ITSELF.

END QUOTE

9. DRAFTED BY KNEPPER. MCDONALD

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Message Attributes

Automatic Decaptioning: X
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Handling Restrictions: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2122667
Secure: OPEN
Status: NATIVE
Subject: MTN: DEVELOPING COUNTRY STATEMENT AT JULY 3 TNC
TAGS: ETRD, MTN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/dfbe7c7b-c288-dd11-92da-001cc4696bcc
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